

**Before the  
Federal Communications Commission  
Washington, DC 20554**

|   |   |                      |
|---|---|----------------------|
| In the Matter of                              | ) |                      |
|   | ) |                      |
| Empowering Consumers to Prevent and Detect    | ) | CG Docket No. 11-116 |
| Billing for Unauthorized Charges (“Cramming”) | ) |                      |
|   | ) |                      |
| Consumer Information and Disclosure           | ) | CG Docket No. 09-158 |
|   | ) |                      |
| Truth-in-Billing and Billing Format           | ) | CC Docket No. 98-170 |

**COMMENTS OF CTIA – THE WIRELESS ASSOCIATION®**

Michael F. Altschul  
Senior Vice President and General Counsel

Scott K. Bergmann  
Vice President, Regulatory Affairs

Krista L. Witanowski  
Assistant Vice President, Regulatory Affairs

**CTIA—The Wireless Association®**  
1400 Sixteenth Street, NW  
Suite 600  
Washington, DC 20036  
(202) 785-0081

November 18, 2013

## TABLE OF CONTENTS

|   | <u>PAGE</u> |
|---|-------------|
| I. INTRODUCTION AND SUMMARY .....   | 1           |
| II. THIRD-PARTY BILLING IS A POPULAR SERVICE FOR WIRELESS CONSUMERS.....  | 2           |
| III. THE DATA REFLECTS THAT CONSUMER COMPLAINTS REGARDING WIRELESS SERVICE ARE LOW AND ARE CONTINUING TO DECREASE ..... | 5           |
| IV. ONGOING INDUSTRY EFFORTS ARE HELPING TO COMBAT CRAMMING.....  | 8           |
| V. APPROPRIATE ENFORCEMENT MECHANISMS ARE IN PLACE TO DEAL WITH BAD ACTORS.....   | 9           |
| VI. CONCLUSION .....  | 11          |

**Before the  
Federal Communications Commission  
Washington, DC 20554**

|   |   |                      |
|---|---|----------------------|
| In the Matter of                              | ) |                      |
|   | ) |                      |
| Empowering Consumers to Prevent and Detect    | ) | CG Docket No. 11-116 |
| Billing for Unauthorized Charges (“Cramming”) | ) |                      |
|   | ) |                      |
| Consumer Information and Disclosure           | ) | CG Docket No. 09-158 |
|   | ) |                      |
| Truth-in-Billing and Billing Format           | ) | CC Docket No. 98-170 |

**COMMENTS OF CTIA—THE WIRELESS ASSOCIATION®**

**I. INTRODUCTION AND SUMMARY**

CTIA—The Wireless Association® (“CTIA”)<sup>1</sup> respectfully submits these comments in response to the Public Notice released on August 27, 2013 by the Federal Communications Commission’s (“FCC” or the “Commission”) Consumer and Governmental Affairs Bureau in the above-captioned proceeding.<sup>2</sup> As discussed below, CTIA and its members are strongly committed to the protection of wireless consumers and appreciate the opportunity to update the Commission on new developments in third-party billing services for wireless consumers. Wireless third-party billing is a popular service that provides added value and convenience to wireless consumers.

---

<sup>1</sup> CTIA – The Wireless Association® is the international organization of the wireless communications industry for both wireless carriers and manufacturers. Membership in the organization covers Commercial Mobile Radio Service (“CMRS”) providers and manufacturers, including cellular, Advanced Wireless Service, 700 MHz, broadband PCS, and ESMR, as well as providers and manufacturers of wireless data services and products. More information about CTIA is available on the Association’s website at <http://www.ctia.org/aboutCTIA/>.

<sup>2</sup> See *Consumer and Governmental Affairs Bureau Seeks to Refresh the Record Regarding “Cramming,”* CG Docket No. 11-116, CG Docket No 09-158, CC Docket No. 98-170, Public Notice, DA 13-1807 (rel. Aug. 27, 2013).

Although CTIA shares the Commission's concerns about unauthorized third-party billing, the number of wireless consumer complaints is low and is continuing to decrease – notwithstanding the growth of wireless third-party billing and the number of wireless connections. For example, the Commission's own data indicates that between 2008 and 2011, just 0.000156% of wireless consumers complained about wireless cramming, a ratio of one complaint per 641,532 wireless subscriber units per year.

Furthermore, as CTIA has explained in prior filings in this proceeding, the wireless industry has taken numerous steps and committed significant resources to help protect consumers from fraud and unauthorized third-party charges.<sup>3</sup> The industry has established a unified standard of compliance for mobile carrier billing that requires double opt in, purchase confirmation, and clearly presented pricing, billing frequency, contact, privacy, and product information. Every wireless carrier in the United States that offers third party billing for premium SMS adheres to these standards. In addition, appropriate state and federal enforcement mechanisms are in place to punish bad actors.

## **II. THIRD-PARTY BILLING IS A POPULAR SERVICE FOR WIRELESS CONSUMERS**

There are a variety of third-party billing services available to wireless consumers, such as app store billing (to pay for apps and make in-app purchases), payment for online purchases, and premium SMS programs. Consumers regularly charge services and products to their wireless telephone bills. For example, direct wireless carrier billing on app stores has had a 300% year-

---

<sup>3</sup> See, e.g., Comments of CTIA—The Wireless Association®, CG Docket No. 11-116, CG Docket No. 09-158, CC Docket No. 98-170, 4-6 (June 25, 2012); Reply Comments of CTIA—The Wireless Association®, CG Docket No. 11-116, CG Docket No. 09-158, CC Docket No. 98-170, 5-7 (Dec. 5, 2011); Comments of CTIA—The Wireless Association®, CG Docket No. 11-116, CG Docket No. 09-158, CC Docket No. 98-170, 13-16 (Oct. 24, 2011).

over-year growth rate on Google Play and is expected to continue expanding.<sup>4</sup> In addition, direct wireless carrier billing for social media and gaming purchases increased 30% year-over-year during the three-year period from 2009-2012.<sup>5</sup> Consumers' repeated use of third-party billing also shows how satisfied they are with this billing option. For example, a 2012 study found that returning customers accounted for more than half of all direct billing purchases.<sup>6</sup>

Further, non-profit, government, and commercial services are deploying direct wireless carrier billing initiatives that reach millions of consumers in the United States and around the world. For example, charitable giving increasingly relies on third-party billing and SMS-based donations. A 2012 study by the Pew Internet and American Life Project found that 1 in 10 Americans has made a charitable donation through a text message.<sup>7</sup> In fact, donors contributed more than \$43 million via SMS to the Red Cross' campaign to assist victims of the Haitian earthquake, and a majority of those donors subsequently donated additional money for other disaster recovery funds.<sup>8</sup> Overall, 80% of the text message donors to the Red Cross' Haiti campaign contributed only via their mobile telephone, and 43% of those donors subsequently encouraged friends and family to give.<sup>9</sup> The Pew study also revealed that people who contribute

---

<sup>4</sup> "Direct Carrier Billing: The world's most popular mobile payment," Mobile Payments Today (Oct. 15, 2013), *available at* [http://www.mobilepaymentstoday.com/blog/11377/Direct-Carrier-Billing-The-world-s-most-popular-mobile-payment-Infographic?rc\\_id=629](http://www.mobilepaymentstoday.com/blog/11377/Direct-Carrier-Billing-The-world-s-most-popular-mobile-payment-Infographic?rc_id=629) (last accessed Nov. 6, 2013).

<sup>5</sup> "Study: Popularity of direct carrier billing on the rise," Mobile Payments Today (Sept. 4, 2012), *available at* <http://www.mobilepaymentstoday.com/article/199929/Study-Popularity-of-direct-carrier-billing-on-the-rise> (last accessed Nov. 6, 2013).

<sup>6</sup> *Id.*

<sup>7</sup> PEW INTERNET AND AMERICAN LIFE PROJECT, REAL TIME CHARITABLE GIVING, 2 (Jan.12, 2012), *available at* <http://pewinternet.org/~media/Files/Reports/2012/Real%20Time%20Charitable%20Giving.pdf> (last accessed Nov. 6, 2013).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 3.

through mobile giving tend to be first-time mobile donors, underscoring the potential for wireless third-party billing options to facilitate new methods and sources of charitable giving.<sup>10</sup>

Government entities have similarly begun to adopt third-party billing solutions for wireless consumers. For example, the U.S. State Department recently launched a charitable campaign to allow mobile subscribers to contribute to the Global Equality Fund using SMS.<sup>11</sup> The State Department touted the mobile billing platform as an accessible and effective advocacy tool that allows individual to “engage directly with the government” on causes of concern.<sup>12</sup>

Leading retailers and other major U.S. and international companies are also increasingly relying on direct wireless carrier billing. For example, Sony recently announced a partnership that will allow consumers to buy games, movies, TV shows, and music subscriptions on Sony consoles and charge them to their mobile telephone bills.<sup>13</sup> In addition, Facebook,<sup>14</sup> Skype,<sup>15</sup> and streaming music service Rhapsody<sup>16</sup> now allow users to send charges directly to their mobile telephone bills. Other entities currently using or planning to adopt third-party billing include major news organizations, companies offering video streaming, gaming companies, parking

---

<sup>10</sup> *Id.*

<sup>11</sup> “Partnering to Promote Equality for LGBT Communities,” DipNote: U.S. State Department Official Blog (Aug. 16, 2012), *available at* <http://blogs.state.gov/stories/2012/08/16/partnering-promote-equality-lgbt-communities> (last accessed Nov. 6, 2013).

<sup>12</sup> *Id.*

<sup>13</sup> “Sony Entertainment Network and PlayStation Store add carrier billing for AT&T and T-Mobile,” Engadget (Aug. 29, 2013), *available at* <http://www.engadget.com/2013/08/29/psn-store-mobile-payments/> (last accessed Nov. 6, 2013).

<sup>14</sup> Facebook Help, Which mobile phone service providers do Facebook support for carrier billing with Facebook Payments?, <https://www.facebook.com/help/236672983110999> (last accessed Nov. 14, 2013).

<sup>15</sup> “Skype Launches Direct Carrier Billing,” New Edge (National Rural Broadband Association) (Feb. 11, 2013), *available at* <http://www.ntca.org/new-edge/voice/skype-launches-direct-carrier-billing> (last accessed Nov. 6, 2013).

<sup>16</sup> “Streaming-on-demand music provider Rhapsody taps BilltoMobile for mobile payments solution,” Mobile Payments Today (Sept. 11, 2013), *available at* [http://www.mobilepaymentstoday.com/article/219275/Streaming-on-demand-music-provider-Rhapsody-taps-BilltoMobile-for-mobile-payments-solution?rc\\_id=629](http://www.mobilepaymentstoday.com/article/219275/Streaming-on-demand-music-provider-Rhapsody-taps-BilltoMobile-for-mobile-payments-solution?rc_id=629) (last accessed Nov. 6, 2013).

services, and even pizza delivery services.<sup>17</sup> As noted above, third-party billing options such as those available through Google Play also support the rapidly-expanding mobile app economy.

### **III. THE DATA REFLECTS THAT CONSUMER COMPLAINTS REGARDING WIRELESS SERVICE ARE LOW AND ARE CONTINUING TO DECREASE**

Although CTIA shares the Commission's concerns about unauthorized third-party billing, the number of consumer wireless complaints is low and is continuing to decrease even with the significant growth in the number of wireless connections.

A recent study by the Better Business Bureau found that the number of complaints regarding the eight largest wireless carriers in the U.S. decreased from 2009 to 2011.<sup>18</sup> And of the wireless complaints submitted to the Better Business Bureau, approximately 95% were resolved, compared to an average resolution rate of 78% across all industries.<sup>19</sup> Given this low and declining complaint rate, it is unsurprising that the American Customer Satisfaction Index's May 2013 report showed satisfaction with wireless services at a ten-year high.<sup>20</sup> Similarly, MyWireless.org's April 2013 survey found that 91% of consumers are "highly satisfied" with their wireless phone service.<sup>21</sup> In addition, a 2013 study by J.D. Power and Associates also

---

<sup>17</sup> See, e.g., FTC Mobile Cramming Roundtable Transcript, Comments by Michael Altschul, Senior Vice President and General Counsel, CTIA—The Wireless Association®, 184 (May 8, 2013), *available at* <http://www.ftc.gov/bcp/workshops/mobilecramming/30508mob.pdf> (last accessed Nov. 15, 2013).

<sup>18</sup> "Cell Phone Service Complaints are Dropping, but it Pays to Shop Around," Better Business Bureau (Nov. 2, 2011), *available at* <http://www.bbb.org/blog/2011/11/cell-phone-service-complaints-are-dropping-but-it-pays-to-shop-around/> (last accessed Nov. 1, 2013).

<sup>19</sup> *Id.*; "Complaints to Better Business Bureau Up Ten Percent Nationwide," Better Business Bureau (Mar. 24, 2011), *available at* <http://www.bbb.org/us/article/complaints-to-better-business-bureau-up-ten-percent-nationwide-26274> (last accessed Nov. 1, 2013).

<sup>20</sup> American Customer Satisfaction Index, QUARTERLY UPDATE ON U.S. OVERALL CUSTOMER SATISFACTION, 11 (May 2013).

<sup>21</sup> MyWireless.org, 2013 Annual Consumer Survey, <http://www.mywireless.org/media-center/data-center/2013-national-survey/> (last accessed Nov. 1, 2013).

indicated that satisfaction among smartphone customers increased “significantly” from 2011 to 2012.<sup>22</sup>

The Commission’s own data demonstrates the low level of wireless cramming complaints. According to the Commission, there were approximately 345 CMRS cramming complaints in 2008, 564 in 2009, 402 in 2010, and 510 in 2011, compared to an average of more than 290 million wireless subscriber connections during that same period.<sup>23</sup> This translates to a wireless complaint rate of 0.000156%, or one complaint per 641,532 wireless subscriber units per year.<sup>24</sup> During the same period, the wireless industry issued *billions* of monthly bills to service those active subscribers. In fact, the number of wireless cramming complaints is so small that it has not been included on the Commission’s Quarterly Reports on Informal Consumer Inquiries and Complaints since 2002.<sup>25</sup>

The Federal Trade Commission (“FTC”) has observed a similar complaint ratio for unauthorized charges on wireless bills. Only approximately 10% of the complaints that the FTC received about “unauthorized charges or debits” in 2010 concerned wireless phone bills (775 wireless complaints versus 6,882 wireline complaints).<sup>26</sup> This represents a wireless complaint

---

<sup>22</sup> “2013 U.S. Wireless Smartphone Satisfaction Study--Volume 1 and 2013 U.S. Wireless Traditional Mobile Phone Satisfaction Study--Volume 1,” J.D. Power and Associates (Mar. 21, 2013), *available at* <http://www.jdpower.com/content/press-release/5TAb5Uk/2013-u-s-wireless-smartphone-satisfaction-study-volume-1-and-2013-u-s-wireless-traditional-mobile-phone-satisfaction-study-volume-1.htm> (last accessed Nov. 1, 2013).

<sup>23</sup> *Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges (“Cramming”)*, Notice of Proposed Rulemaking, 26 FCC Rcd 10021, 10024 n. 11, n. 41 (2011); *Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges (“Cramming”)*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 4436 ¶ 21 (2011).

<sup>24</sup> CTIA—The Wireless Association, Semi-Annual Wireless Industry Survey: 2011 Top-Line Survey Results (2011), *available at* [http://files.ctia.org/pdf/CTIA\\_Survey\\_MY\\_2011\\_Graphics.pdf](http://files.ctia.org/pdf/CTIA_Survey_MY_2011_Graphics.pdf) (last accessed Nov. 14, 2013).

<sup>25</sup> *See generally* FCC Quarterly Reports on Informal Consumer Inquiries and Complaints, <http://www.fcc.gov/encyclopedia/quarterly-reports-consumer-inquiries-and-complaints> (last accessed Nov. 5, 2013).

<sup>26</sup> *Consumer Sentinel Network Data Book for January-December 2010*, Federal Trade Commission, Appendix B3, 80 (Mar. 2011), *available at* <http://www.ftc.gov/sentinel/reports/sentinel-annual-reports/sentinel-cy2010.pdf> (last accessed Nov. 1, 2013).



rate of one complaint per 382,304 subscriber units per year, or 0.00026%. The number of cramming complaints decreased to 711 in 2012.<sup>27</sup> In addition, as explained below, ongoing industry efforts and enforcement actions by state and federal regulators are further helping to prevent cramming and punish bad actors.

Although a report entitled *Mobile Phone Third-Party Charge Authorization Study* (“Vermont Study”)<sup>28</sup> that was conducted on behalf of the Vermont Attorney General’s office purports to show that a high percentage of third-party premium messaging charges are unauthorized, the study is severely flawed and is entirely unreliable. Dr. Sara Parikh, a nationally recognized expert in the study of consumer behavior and opinion, observed that the Vermont Study “was not double-blind; suffers from self-selection bias; used a stimulus that did not provide sufficient information for respondents to give an informed answer; and did not ensure that the answers were provided by the actual mobile phone user, who would be in the best position to answer questions about their purchases.”<sup>29</sup> A clear example of the consequences of the study flaws is that the number of respondents stating that they remembered authorizing a charge is double the number that realized they could even charge services to their phone bill.<sup>30</sup> Moreover, although it claims that the number of cramming complaints may understate the

---

<sup>27</sup> *Consumer Sentinel Network Data Book for January-December 2012*, Federal Trade Commission, Appendix B3, 84 (Feb. 2013), available at <http://www.ftc.gov/sentinel/reports/sentinel-annual-reports/sentinel-cy2012.pdf> (last accessed Nov. 1, 2013). Though it is possible that the Consumer Sentinel Network Data Book is capturing only a small fraction of all wireless cramming complaints as few consumer report wireless cramming to the FCC, FTC, Better Business Bureau, and other parties captured in the Data Book, the data would still reflect any trend in consumer complaints. No upward trend is visible in recent years. *Id.*; *Consumer Sentinel Network Data Book for January-December 2010*, Federal Trade Commission, Appendix B3, 80 (Mar. 2011), available at <http://www.ftc.gov/sentinel/reports/sentinel-annual-reports/sentinel-cy2010.pdf> (last accessed Nov. 1, 2013).

<sup>28</sup> Jane Kolodinsky, *MOBILE PHONE THIRD-PARTY CHARGE AUTHORIZATION STUDY* (May 5, 2013), available at <http://www.atg.state.vt.us/assets/files/Mobile%20Phone%20Third-Party%20Charge%20Authorization%20Study.pdf> (last accessed Nov. 5, 2013).

<sup>29</sup> See Notice of *Ex Parte* Presentation of CTIA—The Wireless Association®, CG Docket No. 11-116, CG Docket No 09-158, CC Docket No. 98-170 (July 29, 2013).

<sup>30</sup> *Id.* at Table 4, Table 6.

problem, the results of the Vermont Study and a letter from certain state attorneys general show that consumers are aware of their ability to complain about billing issues.<sup>31</sup> Given these substantial methodological errors, the Vermont Study is not a reliable measure of unauthorized third-party charges, and the Commission should not rely on its findings.

#### **IV. ONGOING INDUSTRY EFFORTS ARE HELPING TO COMBAT CRAMMING**

The industry has put in place a set of requirements to help prevent cramming and protect consumers. CTIA, the Mobile Marketing Association (“MMA”), and individual carriers have established best practices to help ensure that direct carrier billing remains a convenient, trusted service. CTIA’s Mobile Commerce Compliance Handbook has established a unified standard of compliance for mobile carrier billing that requires double opt in, purchase confirmation, and clearly presented pricing, billing frequency, contact, privacy, and product information.<sup>32</sup> Every wireless carrier in the United States that offers third party billing for premium SMS adheres to these standards. CTIA also audits all premium SMS services and maintains an online portal where carriers, aggregators, and service providers can review the results.<sup>33</sup> CTIA budgets more than \$2 million per year for monitoring performed on behalf of the wireless industry, and individual carriers perform their own additional vetting and monitoring.

---

<sup>31</sup> See Letter from the Attorneys General of Alaska, Arizona, California, Colorado, Delaware, District of Columbia, Florida, Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virgin Islands, Washington and Wyoming to Donald S. Clark, Secretary, Federal Trade Commission (June 24, 2013).

<sup>32</sup> CTIA—The Wireless Association®, Mobile Commerce Compliance Handbook v. 1.2 (August 1, 2013), *available at* <http://www.wmcglobal.com/assets/ctia-mobile-commerce-compliance-handbook-v1-2.pdf> (last accessed Nov. 5, 2013).

<sup>33</sup> *Id.* at 9.

In addition, carriers also provide additional options to help prevent unauthorized charges. Most carriers, including all Tier I carriers, offer blocking of third-party charges and have consumer-friendly refund policies.<sup>34</sup>

## **V. APPROPRIATE ENFORCEMENT MECHANISMS ARE IN PLACE TO DEAL WITH BAD ACTORS**

CTIA shares the Commission's concerns regarding unauthorized third-party billing. As noted above, there are many different forms of third-party billing available today. The concerns that have been raised are almost entirely focused on premium SMS charges from third-party billers that are not subject to the FCC's jurisdiction. As described above, wireless carriers have strong incentives to prevent cramming and punish crammers, and they have implemented a number of voluntary industry incentives to help protect consumers. They also work regularly with federal and state consumer protection authorities to help identify and prosecute fraudsters.

When cramming does occur, existing state and federal enforcement mechanisms are already in place to punish bad actors. For example, in August 2013, the FTC settled with wireless crammer Jesta over allegations that Jesta crammed monthly charges for ringtones and other mobile content after falsely advertising a virus protection service.<sup>35</sup> The settlement required Jesta to provide full refunds for customers as well as pay an additional \$1.2 million to the FTC, thus making consumers whole and providing a deterrent penalty. Similarly, the FTC

---

<sup>34</sup> See, e.g., T-Mobile, Blocking Third-Party Charges, [http://www.t-mobile.com/Company/PrivacyResources.aspx?tp=Abt\\_Tab\\_Blocking&tsp=Abt\\_Sub\\_BlockingThirdPartyCharges](http://www.t-mobile.com/Company/PrivacyResources.aspx?tp=Abt_Tab_Blocking&tsp=Abt_Sub_BlockingThirdPartyCharges) (last accessed Nov. 5, 2013); AT&T, AT&T Smart Controls, <http://www.att.net/smartcontrols-WirelessParentalControls> (last accessed Nov. 5, 2013); Verizon, Stopping Unauthorized Charges, [http://www.verizon.com/Support/Residential/Phone/Homephone/General+Support/Troubleshoot+phone+problems/Unwanted+calls+or+charges/95446.htm?CMP=DMC-CVZ\\_ZZ\\_ZZ\\_Z\\_ZZ\\_N\\_Z132](http://www.verizon.com/Support/Residential/Phone/Homephone/General+Support/Troubleshoot+phone+problems/Unwanted+calls+or+charges/95446.htm?CMP=DMC-CVZ_ZZ_ZZ_Z_ZZ_N_Z132) (last accessed Nov. 14, 2013); Letter from Catherine Miller, Vice President, Legal, Sprint, to the Office of the Secretary, Federal Trade Commission (May 6, 2013), available at <http://ftc.gov/os/comments/mobilecramming/564482-00008-85922.pdf> (last accessed Nov. 14, 2013).

<sup>35</sup> Federal Trade Commission, "Jesta Digital Settles FTC Complaint it Crammed Charges on Consumers Mobile Bills Through 'Scareware' and Misuse of Novel Billing Method" (Aug. 21, 2013), available at <http://www.ftc.gov/opa/2013/08/jesta.shtm> (last accessed Nov. 14, 2013).

filed suit against Wise Media earlier over alleged unauthorized charges on consumers' wireless bills.<sup>36</sup> At the state level, the Texas Attorney General recently filed an enforcement action for cramming against four text-messaging content providers and their billing aggregator.<sup>37</sup>

The Commission should resist requests to limit consumer access to wireless third-party billing. As discussed in greater detail above in Section II, the charitable, government, and commercial direct carrier billing infrastructure is still evolving, innovative new approaches to third-party billing are still emerging, and the wireless industry's practices and requirements are also evolving to meet consumers' expectations for a trustworthy billing environment that will support these services. Consumers interact with their mobile devices differently than they do with their landline telephones, and these differences should be taken into account. For example, unlike landlines, mobile devices are ubiquitous in everyday life and are already used to make a variety of purchases (*e.g.*, via an app store, SMS, or web browser). Consumers expect mobile phones to have wide-ranging functionality and access to a variety of services, and they demand innovative methods of paying for those features and services – including through third-party billing. In this context, any new regulations or restrictions on third-party billing would stifle innovative new services and hinder the adoption of valuable services that consumers demand.

---

<sup>36</sup> *Id.*

<sup>37</sup> Attorney General of Texas, Attorney General Abbott Files Mobile Phone 'Cramming' Case (Nov. 6, 2013), available at <https://www.oag.state.tx.us/oagnews/release.php?id=4576> (last accessed Nov. 14, 2013).

## **VI. CONCLUSION**

The wireless industry is committed to protecting consumers and creating a trusted environment for wireless services. Carriers and other stakeholders have engaged in significant voluntary efforts to prevent cramming and punish bad actors, and the industry continues to evolve its practices to protect consumers from cramming fraud. To the extent that fraudsters evade industry best practices, appropriate enforcement mechanisms exist at both the state and federal levels and CTIA supports these efforts.

Respectfully submitted,

By: /s/ *Krista L. Witanowski*

---

Krista L. Witanowski  
Assistant Vice President, Regulatory Affairs

Michael F. Altschul  
Senior Vice President and General Counsel

Scott K. Bergmann  
Vice President, Regulatory Affairs

**CTIA—The Wireless Association®**  
1400 Sixteenth Street, NW  
Suite 600  
Washington, DC 20036  
(202) 785-0081

November 18, 2013